

FINANCIAL DISCLOSURE AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad M. Daw

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends reporting requirements in the Election Code.

Highlighted Provisions:

This bill:

► amends reporting requirements relating to an entity from which the regulated officeholder has received \$5,000 or more in income during the preceding year.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

20A-11-1604, as renumbered and amended by Laws of Utah 2014, Chapter 18

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **20A-11-1604** is amended to read:

20A-11-1604. Failure to disclose conflict of interest -- Failure to comply with reporting requirements.

(1) (a) Before or during the execution of any order, settlement, declaration, contract, or any other official act of office in which a state constitutional officer has actual knowledge that



28 the state constitutional officer has a conflict of interest that is not stated on the financial
29 disclosure form described in this section, the state constitutional officer shall publicly declare
30 that the state constitutional officer may have a conflict of interest and what that conflict of
31 interest is.

32 (b) Before or during any vote on legislation or any legislative matter in which a
33 legislator has actual knowledge that the legislator has a conflict of interest that is not stated on
34 the financial disclosure form described in this section, the legislator shall orally declare to the
35 committee or body before which the matter is pending that the legislator may have a conflict of
36 interest and what that conflict is.

37 (c) Before or during any vote on any rule, resolution, order, or any other board matter
38 in which a member of the State Board of Education has actual knowledge that the member has
39 a conflict of interest that is not stated on the financial disclosure form described in this section,
40 the member shall orally declare to the board that the member may have a conflict of interest
41 and what that conflict of interest is.

42 (2) Any public declaration of a conflict of interest that is made under Subsection (1)
43 shall be noted:

44 (a) on the official record of the action taken, for a state constitutional officer;

45 (b) in the minutes of the committee meeting or in the Senate or House Journal, as
46 applicable, for a legislator; or

47 (c) in the minutes of the meeting or on the official record of the action taken, for a
48 member of the State Board of Education.

49 (3) (a) A state constitutional officer shall file a financial disclosure form:

50 (i) on the tenth day of January of each year, or the following business day if the due
51 date falls on a weekend or holiday; and

52 (ii) each time the state constitutional officer changes employment.

53 (b) A legislator shall file a financial disclosure form:

54 (i) on the first day of each general session of the Legislature; and

55 (ii) each time the legislator changes employment.

56 (c) A member of the State Board of Education shall file a financial disclosure form:

57 (i) on the tenth day of January of each year, or the following business day if the due
58 date falls on a weekend or holiday; and

- 59 (ii) each time the member changes employment.
- 60 (4) The financial disclosure form described in Subsection (3) shall include:
- 61 (a) the regulated officeholder's name;
- 62 (b) the name and address of each of the regulated officeholder's current employers and
63 each of the regulated officeholder's employers during the preceding year;
- 64 (c) for each employer described in Subsection (4)(b), a brief description of the
65 employment, including the regulated officeholder's occupation and, as applicable, job title;
- 66 (d) for each entity in which the regulated officeholder is an owner or officer, or was an
67 owner or officer during the preceding year:
- 68 (i) the name of the entity;
- 69 (ii) a brief description of the type of business or activity conducted by the entity; and
- 70 (iii) the regulated officeholder's position in the entity;
- 71 (e) in accordance with Subsection (5)(b), for each individual from whom, or entity
72 from which, the regulated officeholder has received \$5,000 or more in income during the
73 preceding year:
- 74 (i) the name of the individual or entity; and
- 75 (ii) a brief description of the type of business or activity conducted by the individual or
76 entity;
- 77 (f) for each entity in which the regulated officeholder holds any stocks or bonds having
78 a fair market value of \$5,000 or more as of the date of the disclosure form or during the
79 preceding year, but excluding funds that are managed by a third party, including blind trusts,
80 managed investment accounts, and mutual funds:
- 81 (i) the name of the entity; and
- 82 (ii) a brief description of the type of business or activity conducted by the entity;
- 83 (g) for each entity not listed in Subsections (4)(d) through (f) in which the regulated
84 officeholder currently serves, or served in the preceding year, on the board of directors or in
85 any other type of paid leadership capacity:
- 86 (i) the name of the entity or organization;
- 87 (ii) a brief description of the type of business or activity conducted by the entity; and
- 88 (iii) the type of advisory position held by the regulated officeholder;
- 89 (h) at the option of the regulated officeholder, a description of any real property in

90 which the regulated officeholder holds an ownership or other financial interest that the
91 regulated officeholder believes may constitute a conflict of interest, including a description of
92 the type of interest held by the regulated officeholder in the property;

93 (i) the name of the regulated officeholder's spouse and any other adult residing in the
94 regulated officeholder's household who is not related by blood or marriage, as applicable;

95 (j) for the regulated officeholder's spouse, the information that a regulated officeholder
96 is required to provide under Subsection (4)(b);

97 (k) a brief description of the employment and occupation of each adult who:

98 (i) resides in the regulated officeholder's household; and

99 (ii) is not related to the regulated officeholder by blood or marriage;

100 (l) at the option of the regulated officeholder, a description of any other matter or
101 interest that the regulated officeholder believes may constitute a conflict of interest;

102 (m) the date the form was completed;

103 (n) a statement that the regulated officeholder believes that the form is true and
104 accurate to the best of the regulated officeholder's knowledge; and

105 (o) the signature of the regulated officeholder.

106 (5) (a) The regulated officeholder shall file the financial disclosure form with:

107 (i) the secretary of the Senate, if the regulated officeholder is a member of the Senate;

108 (ii) the chief clerk of the House of Representatives, if the regulated officeholder is a
109 member of the House of Representatives; or

110 (iii) the lieutenant governor, if the regulated officeholder is a regulated officeholder
111 other than a regulated officeholder described in Subsection (5)(a)(i) or (ii).

112 (b) In making the disclosure described in Subsection (4)(e), a regulated officeholder
113 who provides goods or services to multiple customers or clients as part of a business or a
114 licensed profession;

115 (i) shall, except to the extent that the disclosure would violate a legally recognized
116 privilege, provide the information described in Subsection (4)(e) for each customer or client
117 from which the regulated officeholder receives an amount in the preceding year that is greater
118 than 20% of the regulated officeholder's income in the preceding year; and

119 (ii) for a customer or client other than a customer or client described in Subsection
120 (5)(b)(i), is only required to provide the information described in Subsection (4)(e) in relation

121 to the entity or practice through which the regulated officeholder provides the goods or services
122 and is not required to provide the information described in Subsection (4)(e) in relation to the
123 [~~regulated officeholder's~~] individual customers or clients.

124 (6) The lieutenant governor, the secretary of the Senate, and the chief clerk of the
125 House of Representatives shall ensure that blank financial disclosure forms are available on the
126 Internet and at their offices.

127 (7) An individual described in Subsection (6) who receives a financial disclosure form
128 or an amendment to a financial disclosure form under this section shall make each version of
129 the form, and each amendment to the form, available to the public for the period of time
130 described in Subsection (8), in the following manner:

131 (a) on the Internet; and

132 (b) at the office where the form or the amendment to the form was filed.

133 (8) The period of time that an individual described in Subsection (7) shall make each
134 version of a financial disclosure form and each amendment to a financial disclosure form
135 available to the public is:

136 (a) two years after the day on which the individual described in Subsection (7) receives
137 the form, for a regulated officeholder in an office that has a normal term of two years or less; or

138 (b) four years after the day on which the individual described in Subsection (7) receives
139 the form, for a regulated officeholder in an office that has a normal term of more than two
140 years.

141 (9) The disclosure requirements described in this section do not prohibit a regulated
142 officeholder from voting or acting on any matter.

143 (10) A regulated officeholder may amend a financial disclosure form described in this
144 part at any time.

145 (11) A regulated officeholder who violates the requirements of Subsection (1) is guilty
146 of a class B misdemeanor.

147 (12) (a) A regulated officeholder who intentionally or knowingly violates a provision
148 of this section, other than Subsection (1), is guilty of a class B misdemeanor.

149 (b) In addition to the criminal penalty described in Subsection (12)(a), the lieutenant
150 governor shall impose a civil penalty of \$100 against a regulated officeholder who violates a
151 provision of this section, other than Subsection (1).

Legislative Review Note
Office of Legislative Research and General Counsel